

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Mitchell A. Fridolfson,
Appellant,

v.

Humboldt County Board of Review,
Appellee.

ORDER

Docket No. 13-46-0149
Parcel No. 10-01-407-027

On November 1, 2013, the above-captioned appeal came on for consideration before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Appellant Mitchell A. Fridolfson was self-represented and requested his appeal proceed without a hearing. County Attorney Jonathan Beaty represented the Board of Review. The Appeal Board now having examined the entire record and being fully advised, finds:

Findings of Fact

Mitchell A. Fridolfson is the owner of property located at 521 Sumner Avenue, Humboldt, Iowa. The real estate was classified commercial on the January 1, 2013, assessment and valued at \$101,670, allocated as \$23,150 in land value and \$78,520 in improvement value. Fridolfson protested his assessment to the Humboldt County Board of Review on the ground the property was assessed for more than authorized by law under Iowa Code section 441.37(1)(a)(2). He asserted the correct value was \$85,000. The Board of Review denied the protest. Fridolfson then appealed to this Board reasserting his claim.

The property record card indicates the subject is a two-story, small retail store with residential apartments on the second floor. It was built in 1920 and an addition was completed in 1967. It has

14,120 square feet of gross building area. The building is listed in poor condition. The site is 0.24 acres.

The property record card indicates Fridolfson purchased the property in May 2010 for \$85,000. The record also shows it was an arm's length transaction. At the Board of Review hearing, Fridolfson testified the improvements include two apartments on the upper floor, which are each about 400 square feet. He rents the apartments for \$300 per month per unit, and he pays the utilities and taxes. Fridolfson noted parking was a major problem for these tenants. A business known as "More Than Floors" occupies the main level.

In his appeal to this Board, Fridolfson simply asserts the assessed value should be lowered based on the original purchase amount. While the sales price of a property can be an indicator of market value, it may not be the sole indicator. In this case, the sale occurred in 2010, which is three years prior to the assessment date. There is no additional information to support the purchase price as the property's market value. Nor is there any information regarding whether the property has been improved since the time of purchase.

Conclusion of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2011). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment*

Appeal Bd., 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).


In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). "Market value" essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2). The assessed value of the property shall be one hundred percent of its actual value. § 441.21(1)(a).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the appellant has a two-fold burden. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). First, the appellant must show that the assessment is excessive. Iowa Code § 441.21(3); *Boekeloo*, 529 N.W.2d at 276-77. Second, the appellant must provide evidence of the property's correct value. *Boekeloo*, 529 N.W.2d at 276-77.

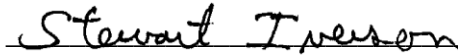
Fridolfson purchased the property in May 2010. This is the only evidence of market value he provided. It is clear from the wording of 441.21(1)(b) that a sales price for the subject property in a normal transaction just as a sales price of a comparable property is a matter to be considered in arriving at market value but does not conclusively establish that value. *Riley v. Iowa City Board of Review*, 549 N.W. 2d 289, 290 (Iowa 1996). Ultimately, Fridolfson did not offer any evidence of the fair market value of the subject property, other than the 2010 purchase price, which we find does not conclusively establish the property's value as of January 1, 2013. For this reason, we find the Fridolfson has failed to provide sufficient evidence to support a claim that his property was over-assessed.

THE APPEAL BOARD ORDERS the assessment of the Mitchell A. Fridolfson's property located at 521 Sumner Avenue, Humboldt, Iowa, as set by Humboldt County Board of Review is affirmed.

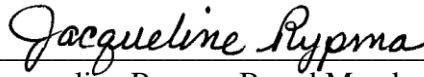
Dated this 4th day of December, 2013.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

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